

February 8, 2006

Mr. Fareed Ferhut

Integrated Waste Management Specialist

CIWMB

Subj: EPP Industry Workgroup Alternative

At the December 12 stakeholder workshop, several representatives of the printer and duplication cartridge manufacturing industry committed to developing an alternative to the current Benchmark 4. After much discussion, it was decided that a modification of Benchmark 4, as it exists now, was not possible. Further discussions lead to the development of an additional Benchmark that was jointly developed and supported by the undersigned manufacturers as an alternative to Benchmark 4..

The current Benchmark 4 includes within its criteria a requirement that vendors submit a certified collection rate for cartridges sold in California that are then collected by the manufacturer and other parties. There was broad agreement among stakeholders at the December workshop that such a certification is not practical given the complex structure of the secondary cartridge market's sales, distribution and collection systems. Recognition of these limitations inherent with Benchmark 4 led to the present effort to develop an alternative Benchmark .

The below proposal meets CIWMB's waste diversion objectives for the EPP Standard by ensuring cartridges designated as EPP are returnable for recycling via a free and readily available program provided by the vendor. The proposal requires that in order to attain EPP status, the recycling program would have to achieve at least 50% recycling efficiency, by weight, exclusive of energy recovery schemes. The proposal also includes a reporting element, by which CIWMB can verify the legitimacy of programs, and track over time trends in the quantity of materials diverted from landfill.

Importantly, the proposal is consistent with the provisions of SB1106, recently enacted changes to the California Public Contract Code which update and clarify buy recycled requirements. Those changes include products to be preferentially procured under the requirements of the State Agency Buy Recycled (SABRC) program cartridges that, "[a]re backed by a vendor-offered program that will take back the printer cartridges after their useful life and ensure that the cartridges are recycled." (CIWMB Memorandum, "Legislative Update Regarding the State Agency Buy Recycled Campaign (SABRC)", Dorothy Woody, December 12, 2005) .

Benchmark 5

2/1/06

A cartridge model that would otherwise become solid waste, but which is eligible for a process of collecting, sorting, cleansing, treating, or reconstituting, and which may be used for the manufacture of new products or the remanufacture of used cartridges (Public Contract Code section 12156) when returned via a collection program that at a minimum is brand specific, provided by the vendor or its contractor to all California users, and meets the following criteria:

- (a) The cartridge return program must be readily available, publicized, and provided at no cost to all California users.
- (b) The program must operate at a recycling efficiency of at least 50% of materials from collected cartridges (by weight) through parts re-use and/or material recycling (recycling excludes waste to energy processes).
- (c) The vendor shall submit an annual report to CIWMB, no later than July 1st of the calendar year following the calendar year that is being reported on, that states the quantity (by weight) of cartridges collected. Note: US nationwide figures and aggregate data are acceptable in the absence of California specific data or SKU-specific data.

Compliance with all of the above criteria shall result in an award of 100 points for purposes of Tier 2 calculation.

Sincerely,

EPP Industry Workgroup

M. Rufino for Canon U.S.A., Inc
S. Canonico for Hewlett Packard, Inc.
I. Sato for Sharp Electronics Corp.

S. Houston for Epson America, Inc.
A. Logan for Lexmark International, Inc.
A. Stocum for Xerox Corp.